CLAIMS

WHAT IS CLAIMED IS:

1. A method of determining whether to allow a new trade of a contract, comprising:

determining the value of margin amounts supporting trading;

evaluating the total value at risk in a portfolio of traded contracts;

comparing the value at risk in the portfolio to the value of margin amounts to calculate the excess available margin;

calculating the allowable notional trade volume, allowable notional trade quantity and the risk per unit of commodity for a new trade;

determining whether the new trade has a value at risk which exceeds the excess available margin;

approving the trade if it is determined that the value at risk of the new trade does not exceed the excess available margin; and

rejecting the trade if it is determined that the value at risk of the new trade exceeds the excess available margin.

2. The method of claim 1 wherein, further including reviewing any rejected new trade to see if the effect of the trade would have the effect of increasing the excess

available margin and redetermining whether the new trade has a value at risk which exceeds the excess available margin as modified by the new trade, and approving or rejecting the trade based on that redetermination.

3. The method of Claim 1 wherein the margin amounts are set by reviewing traditional credit information and establishing limits on risk.

4. The method of Claim 1 wherein the new trades are considered for a period of time until the end of the period when a clearing is performed and the new trades approved and performed since the beginning of the period are netted with the portfolio to produce a new value at risk in the portfolio, value of margin and new values of allowable notional trade volume, allowable notional trade quantity and the risk per unit of commodity.

5. The method of claim 1 wherein the value at risk measurement is expressed on a per contract unit basis;

6. The method of claim 5 wherein the contract unit is expressed in units of a commodity.

7. The method of claim 5 wherein the contract unit is expressed in units of currency;

8. The method of claim 5 wherein the contract unit is expressed in units of time;

9. The method of claim 5 wherein the contract unit is expressed in a combination of units of time, currency and/or commodity;

10. The method of claim 1 wherein the value at risk measurement used is expressed as a percentage of an index value;

11. The method of claim 1 wherein the value at risk measurement used is expressed as a percentage of the contract value;

12. The method of claim 1 wherein different determinations of value at risk are made for specific products and contract terms;

13. The method of claim 1 wherein certain determinations of value at risk may cover many different products and/or contract terms;

14. The method of claim 1 wherein the value at risk determination is compared to the unit quantity of a proposed trade;

15. A method of claim 1 wherein the value at risk determination is compared to the dollar value of the proposed trade

16. A method of claim 1 wherein the value at risk determination is compared to the quantity of a proposed trade multiplied by an index value.